

# Retailers beware: Consumers have learned from the downturn

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Shoppers intend to spend more than they did six months ago - but the way they spend it is set to change in the post-downturn climate, according to a new report.

The Recommend Retail Practice (RRP) report, released by AMP Capital Shopping Centres Thursday, finds consumers are shopping with a new mindset.

The report reveals they won't give up during economic hardship and their purchases must satisfy at least one of three criteria: Safe, Savvy or Sensible.

The RRP report, conducted by Directional Insights, found 46 per cent of shoppers intend to spend less across 17 everyday retail categories than in February this year.

AMPCSC says Australian retailers should be alert to this changing consumer behaviour.

The report finds a number of items Australians will not go without include one in two Australians not giving up wardrobe items like a good fitting pair of jeans and eight in 10 Aussies won't give up quality fruit and vegetables.

Helen Bakewell, Directional Insights MD, said consumers' intent to spend is up slightly from February. However, they remain cautious and are spending much more time researching the item, shopping around for best value or service and being selective with where they spend their money.

"We are seeing from consumers, particularly the female shopper, a new set of terms under which they are now prepared to exchange their cash for a commodity. The trend is towards purchases that meet at least one of the three criteria: safe; savvy or sensible," said Bakewell.

She said it is imperative that retailers understand their customers' needs and aspirations intimately and employ staff who are ready, willing and trained to satisfy these customer needs."

Stuart Langeveldt, head of marketing and communication at AMP Capital Shopping Centres, believes understanding consumer behaviour and intent is one way that the shopping centre owner can offer ongoing support to its retailers.

"By understanding consumer behaviour and trends we are better able to customise each shopping centre experience and alert retailers to this new Recommended Retail Practice.

"As females account for 70 per cent of shoppers in shopping centres and even more of the retail dollar, understanding their needs is more important than ever," said Langeveldt.

The Recommended Retail Practice report also found:

- Holiday spending should improve for both international and local destinations. 55 per cent of people said they would spend the same or more on a holiday within Australia. 30 per cent would spend less which was down from 37 per cent in February.
- 46 per cent of people plan to spend less on eating out in the coming months , which is down from 57 per cent in February.
- 33 per cent intend to spend less on hairdressers, beauticians, nail bars and massage, while 48 per cent intend to spend the same.
- 41 per cent intend to spend less on household goods like TVs, small electrical, kitchenware and homewares while 44 per cent spend the same as usual.
- 51 per cent intend to spend the same or more than this time last year on technology e.g. mobile phones, computers, gaming and portable music devices e.g. ipods, mp3s.
- One in five households do not spend on alcohol
- Quality meat and veg are top of the list for Australians with 79 per cent not willing to give this up even in a recession.
- One in two will still have their hair cut or coloured at a trusted hairdresser.